

2003 ANNUAL CHILD CARE RATE SURVEY INSTRUCTIONS

The survey methodology has not changed for 2004. The attached survey forms are to be used by local agencies to collect price information from licensed group and licensed family child care providers. **Use of the survey form is required.** Exemptions to its use may be granted if a local agency can document that using the survey form will create an undue burden on the agency's staff or workload. If it is necessary for your county/tribe to request such an exemption, please send your proposed survey instrument, along with the justifications for the exemption, to CCS for approval before you distribute the survey.

County/tribal child care agencies are to contact all licensed child care providers located in the individual county/tribe for this survey. If necessary, the agency should contact the Regional Licensing Office assigned to their county/tribe to request a current directory. The preferred rate of return for this survey is at least 80% of licensed providers surveyed.

Providers to be included in the survey:

- Licensed group and Licensed family child care centers in the individual county/tribe. (contact the Regional Licensing Office assigned to your county/tribe to request a current directory)
- Licensed child care programs which provide care to children ages 0-13, throughout the year (at least 11 months) and which provide full-time child care, at least 5 days a week and 5 hours per day.

Do not include the following providers:

- Regularly Certified and Provisionally Certified child care providers.

The survey shall collect providers' **current** prices. Providers are required to submit **printed** verification of prices that are charged to private pay families.

MAXIMUM REIMBURSEMENT RATE CALCULATION

Include in your rate calculation:

- Licensed group child care centers **where at least 25 % of capacity is privately paid (not paid by subsidy funds)** in the month of July 2003
- Licensed family child care centers **where at least 25% of capacity is privately paid (not paid by subsidy funds)** in the month of July 2003
- Providers who have returned the survey with their printed rate sheet attached.

Exclude from your rate calculation Providers who:

- Are funded by sources other than fees (e.g., Head Start, 51.437-funded).
- Do not offer open enrollment (e.g., employer-sponsored programs which serve only employees of the sponsor)
- Are open less than 11 months per year
- Are open less than 5 hours per day
- Are open less than 5 days per week
- Have less than 25% of slots paid by private pay families
- Only report an hourly rate. (You may want to follow up with the provider to determine if they do have a legitimate weekly rate.)
- DO NOT submit printed verification of prices.
- Report only two age/price categories. (You **may** include providers who have reported only two price categories in your calculation, however it may be an indication that the prices are not valid and additional verification is needed)

Copies of returned individual child care providers' surveys are not required to be sent to the Child Care Section but should be kept at the local agency for reference.

INSTRUCTIONS FOR CONVERTING RATES REPORTED BY CHILD CARE PROVIDERS

Weekly ceilings and hourly rates will be determined for four (4) age groups within two categories of licensed care:

- Licensed group - birth through age 1
- Licensed group – age 2 through age 3
- Licensed group – age 4 through age 5
- Licensed group – age 6 through age 12

- Licensed family – birth through age 1
- Licensed family – age 2 through age 3
- Licensed family – age 4 through age 5
- Licensed family – age 6 through age 12

RATE CALCULATIONS:

If the provider reports more than one weekly price for full-time child care within an age category, the **highest** reported weekly price is to be used when calculating the 75th percentile for that age category.

If a provider does not have a weekly price or is charging on an hourly basis, the provider rate information should be excluded from the rate calculation for that age category.

Example:

Age group	Full-time weekly price	Price Used for Survey
Under 1 years	\$185	\$185
1 year old	\$175	
2 years old	\$165 (<2.5 yrs) \$155 (>2.5 yrs)	\$165
3 years old	\$150	
4 years old	\$145	\$145
5 years old	\$135	

School age care:

Age group	Full-time fee (summer, breaks, etc)			Part-time Fee (before and after school combined)			Provider price for Survey
	Weekly	Daily	Hourly	Weekly	Daily	Hourly	
6 years and older	---	\$25	\$3	\$70	\$15	\$3	\$25 x 5 = \$125

REIMBURSEMENT RATE DETERMINATION

To establish the most accurate rate possible, we encourage at least an 80% return rate for the annual survey. Once the completed surveys have all been returned, calculate the county/tribal maximum reimbursement rate. Include only those providers and rates that meet the criteria outlined in the survey instructions.

INSTRUCTIONS FOR DETERMINING THE WEEKLY CEILING AND THE HOURLY PRICE

1. For licensed group child care providers, list center, center capacity, and price for each age group, from lowest to highest weekly price. (This will mean ordering the providers in ascending order four separate times, excluding those providers that do not serve a specific age category). If more than one price is given within an age grouping, use the highest weekly price reported. If an hourly price is reported, **do not** convert it to a weekly amount, **exclude this provider from your calculation for that age category only**. NO SIBLING OR DISCOUNT PRICES ARE TO BE USED.
2. Add the center capacity column to find the total capacity for all centers for that age category. Multiply the total by .75. The result is the 75th percentile. Draw a line where the 75th percentile is covered and under the corresponding weekly price. Do this for all age categories. This is the weekly ceiling (maximum weekly price) or the rate at which 75 percent of the licensed capacity for that age group can be purchased.
3. Divide the weekly ceiling (where the 75th percentile falls) by 30, 35, or 40 hours (your county divisor) to determine an hourly rate. **The county divisor is the number of hours that equal a full-time price.** Example: Most group centers in Sunshine County charge the full-time price if the child is in care for 30 hours or more per week. The divisor in the Sunshine County would be 30. Your agency has the best information regarding which of these three numbers will most closely reflect the market practice within your community. When authorizing to licensed child care providers, if the number of hours authorized is equal to or greater than the agency divisor, the payment is reflecting full time child care. After the calculation, this hourly rate will be used when beginning the authorization process. A different divisor may be chosen for different categories of care (LGRP, LFAM, REGC, PROV) if the market so indicates. The divisors used should be indicated on the Request for Approval of Child Day Care Rates.
4. Repeat this procedure for licensed family day care. (A different divisor may be chosen for licensed group and licensed family hourly payment rate calculations if the market so indicates.)
5. To set regularly certified provider rates: calculate 75 % of the licensed family hourly rate or calculate 75% of the licensed family weekly ceiling, and then divide by the divisor which best reflects the market rate for regularly certified child care.
6. To set provisionally certified provider rates: calculate 50 % of the licensed family hourly rate or calculate 50% of the licensed family weekly ceiling, and then divide by the divisor which best reflects the market rate for provisionally certified child care.

CERTIFIED PROVIDER RATE CALCULATION EXAMPLES

Option 1:

Regularly certified child care = 75 percent of the licensed family child care hourly rate for each age group with 30 as a divisor.

Provisionally certified child care = 50 percent of the licensed family child care hourly rate for each age group with 30 as a divisor.

Examples:

Licensed Family Day Care:		Divisor = 30
Age category	Weekly Ceiling	Hourly Rate
birth through age 1	\$185	\$6.17
age 2 through age 3	\$165	\$5.50
age 4 through age 5	\$145	\$4.83
age 6 through age 12	\$125	\$4.17

Regularly Certified:		Divisor = 30
Age category	Weekly Ceiling at LFAM max	Hourly Rate
birth through age 1	\$185	$\$6.17 \times 75\% = \4.63
age 2 through age 3	\$165	$\$5.50 \times 75\% = \4.13
age 4 through age 5	\$145	$\$4.83 \times 75\% = \3.62
age 6 through age 12	\$125	$\$4.17 \times 75\% = \3.13

Provisionally Certified:		Divisor = 30
Age category	Weekly Ceiling at LFAM max	Hourly Rate
birth through age 1	\$185	$\$6.17 \times 50\% = \3.09
age 2 through age 3	\$165	$\$5.50 \times 50\% = \2.25
age 4 through age 5	\$145	$\$4.83 \times 50\% = \2.42
age 6 through age 12	\$125	$\$4.17 \times 50\% = \2.09

Option 2:

Regularly certified child care = multiply the licensed family weekly ceiling by 75% for each age group, determine the local market divisor, and calculate the hourly payment rate for each age group.

Provisionally certified child care = multiply the licensed family weekly ceiling by 50% for each age group, determine the local market divisor, and calculate the hourly payment rate for each age group.

Example:

Licensed Family Day Care:		Divisor = 30
Age category	Weekly Ceiling	Hourly Rate
birth through age 1	\$185	\$6.17
age 2 through age 3	\$165	\$5.50
age 4 through age 5	\$145	\$4.83
age 6 through age 12	\$125	\$4.17

Note: Divisor is 35.

Regularly Certified:		Divisor = 35
Age category	Weekly Ceiling at LFAM max	Hourly Rate
Birth through age 1	\$185	LFAM Weekly Ceiling: \$185 x 75% = \$138.75/35 = \$3.96
age 2 through age 3	\$165	LFAM Weekly Ceiling: \$165 x 75% = \$123.75/35 = \$3.54
age 4 through age 5	\$145	LFAM Weekly Ceiling: \$145 x 75% = \$108.75/35 = \$3.11
age 6 through age 12	\$125	LFAM Weekly Ceiling: \$125 x 75% = \$93.75/35 = \$2.68

Note: Divisor is now 40

Provisionally Certified:		Divisor = 40
Age category	Weekly Ceiling at LFAM max	Hourly Rate
Birth through age 1	\$185	LFAM Weekly Ceiling: \$185 x 50% = \$92.50/40 = \$2.31
age 2 through age 3	\$165	LFAM Weekly Ceiling: \$165 x 50% = \$82.50/40 = \$2.06
age 4 through age 5	\$145	LFAM Weekly Ceiling: \$145 x 50% = \$72.50/40 = \$1.81
age 6 through age 12	\$125	LFAM Weekly Ceiling: \$125 x 50% = \$62.50/40 = \$1.56

CHILD DAY CARE RATES APPROVAL REQUEST

After you have established the maximum rates for your county, for each age category, use those numbers to complete the Child Day Care Rates Approval Request form that is included in this memo. Complete the Request form with the newly calculated maximum rate even if it has gone down from the previous year. This information must be returned to CCS by **Oct 10, 2003**. These rates will be entered into the CARES system, table TCMX, by CCS staff as your county/tribe 2004 maximum rates.

ANNUAL MASS CHANGE

The annual mass rate change is scheduled to occur the weekend of December 27 and 28, 2003. All authorizations entered after the above date will be calculated using the county/tribal maximum rates and provider prices for the year 2004.

2004 RATE EFFECTIVE DATES IN CARES

There is no need to enter provider prices into CARES (screen CCRA) unless the prices have changed. The price changes can be entered at any time during the year as the providers notify the local agency about the change.

More information will be sent on the annual mass rate change this fall.